United Nations A/C.5/54/SR.35

General Assembly
Fifty-fourth session

Official Records

Distr.: General
15 March 2000
English
Original: French

Fifth Committee

Summary record of the 35th meeting
Held at Headquarters, New York, on Thursday, 11 November 1999, at 10 a.m.

Chairman: Ms. Wensley ..... (Australia)
later: Mr. Sial (Vice-Chairman) ..... (Pakistan)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

Contents

Agenda item 121: Proposed programme budget for the biennium 2000-2001 (*continued*)

First reading (*continued*)

Section 27. Management and central support services (*continued*)

Part IX. Internal oversight

Part X. Jointly financed administrative activities and special expenses

Section 28. Internal oversight

Section 29. Jointly financed administrative activities

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The meeting was called to order at 10 a.m.

Agenda item 121: proposed programme budget for the biennium 2000-2001 (*continued*) (A/54/6/Rev.1, A/54/7 and A/54/16; A/C.5/54/17 and A/C.5/54/21)

First reading (*continued*)

Section 27. Management and central support services (*continued*)

1. **Mr. Barnwell** (Guyana), speaking on behalf of the Group of 77 and China, said that the Group, which attached great importance to the human resources management subprogramme (section 27C of the proposed programme budget for the biennium 2000-2001), considered that the Organization must provide the best possible conditions of employment for its staff, who, encouraged by a well-defined system of performance awards or bonuses, as well as penalties in case of underperformance, must, for their part, do their utmost to respond, through their performance, to the expectations of Member States.

2. With regard to delegation of authority, the Group of 77 and China emphasized that it must proceed in strict compliance with the provisions of General Assembly resolution 53/221. That was also true of human resources management reform, mentioned in paragraph 27C.19 of the proposed programme budget, and the use of consultants in the Secretariat (referred to in table 27C.13), since the guidelines contained in document A/53/385 had been amended by the General Assembly in section VIII of resolution 53/221 and should therefore only be applied in strict conformity with the provisions of that section. The Group of 77 and China regretted that the recommendation made by the Committee for Programme and Coordination (CPC) in paragraph 439 of its report (A/54/16) had not been implemented, in that the reformulated narrative (A/C.5/54/17) did not take sufficiently into account the provisions of General Assembly resolution 53/221. They would like the Secretariat to explain how the provisions of the resolution could be incorporated by reformulating one paragraph, rather than the entire narrative.

3. The issues raised in the note by the Secretary-General on personnel practices and policies (A/C.5/54/21) should be considered under the agenda item on human resources management (agenda item 164), and the Group therefore proposed that the note should be included among the documents pertaining to that item. Nevertheless, it wished to express its deep concern at the content of paragraph 10: to accept the Secretary-General's proposal would be tantamount to making the Secretariat part of the intergovernmental decision-making process, which was the exclusive prerogative of Member States. The Group was not therefore able to support the proposal made in paragraph 10 of document A/C.5/54/21.

4. With regard to section 27G of the proposed programme budget for the biennium 2000-2001 (Administration, Nairobi), the Group of 77 and China were disappointed at the estimates of expenditure relating to the United Nations Office at Nairobi (UNON). They recalled that the General Assembly in its resolution 52/220, had requested the Secretary-General "to bring the financial arrangements of the [...] Office [...] into line with those of similar United Nations administrative offices". The proposed programme budget stated (para. 27G.2) that the Secretary-General had made a commitment to increase gradually the regular budget component of the budget of the United Nations Office at Nairobi, but the Group noted with concern that the Office was still largely funded from extrabudgetary resources. It was important, however, that all United Nations centres should be treated equally, which was what had prompted the Governing Council to note, in paragraph 7, section 2, of its decision 20/31 (A/54/25), the large discrepancy in the amount of funding provided from the United Nations regular budget to the United Nations Office at Nairobi in relation to that provided to other United Nations offices. The Group of 77 and China wished to know what specific steps the Secretary-General had taken to give effect to resolution 52/220, particularly in terms of increasing the resources provided to the United Nations Office at Nairobi. The Group noted that a certain number of important posts at UNON were to be funded from extrabudgetary resources, which was cause for concern, since it was not certain that all of those resources would be forthcoming. It would like the Secretariat to indicate what would be done if those resources did not materialize.

5. Like the Advisory Committee on Administrative and Budgetary Questions (ACABQ) (A/54/7, para. VIII.111), the Group was concerned to note that there was currently no agreed procedure for

determining the total cost of the Office and the rates for reimbursement of services rendered to other organizations at Nairobi. The costs relating to the Office should have been presented in a uniform manner before submission of the proposed programme budget for the biennium 2000-2001.

6. The Group was concerned that there had been no change in the resources provided for conference services in Nairobi, which were vital for the operation of the Office. It requested that the necessary resources should be provided for the biennium 2000-2001 so as to ensure that Nairobi had a fully fledged United Nations office with conference services at the same level as those in other United Nations offices.

7. The charge-back procedure (paras. 27G.9 and 27G.41), which was cumbersome, unpredictable and lacked transparency, should be replaced by other, simpler and more reliable arrangements.

8. The Group wished to have information on the impact on the Office of the merger of administrative services, particularly with regard to administrative costs and programme delivery. It reiterated that reform should not take place at the expense of programme delivery.

9. The Group looked forward to receiving responses at a formal meeting to the questions it had raised and intended also to pursue them in informal consultations.

10. **Mr. Odaga-Jalomayo** (Uganda) said that his delegation wished to associate itself with the statement made by the representative of Guyana on behalf of the Group of 77 and China. Noting the high vacancy rate under section 27A, he asked what the reasons were for that situation and how the functions relating to those posts were being carried out. Similarly, he found no adequate explanation for the abolition of posts under the section. With regard to the Joint Appeals Board, he wished to know what stage the cases pending before the Board had reached. As for secretariat services for the Fifth Committee and the Committee for Programme and Coordination, he was surprised to see that they were mentioned in only one line, although they were clearly services of paramount importance.

11. With regard to section 27B, Uganda supported the proposed resource growth. He would like to have a report on the progress made in implementing Release 3 of the Integrated Management Information System (IMIS), which was so important for the budget. He noted that there was no well-developed formula for the determination of the amount that offices using the local area network (LAN) should contribute to maintenance, and he wished to have clarification of the matter. The fact that departments could now purchase their personal computers themselves was to be welcomed, but equipment of that type was disappearing from the Organization at such a rate that an explanation was called for from the Secretariat. Finally, although the review of the Financial Regulations and Rules of the United Nations would be welcome, it must be carried out in complete compliance with the resolutions of the General Assembly.

12. With regard to section 27C, Uganda agreed with the Advisory Committee (A/54/7, paras. VIII.32 and VIII.33) that it should be possible, with the use of new technologies, to eliminate the complexity and slowness of the procedures for transfer within and recruitment to the Secretariat, which led to high vacancy rates. Another problem raised in the section related to competitive examinations and career development: Uganda was concerned at the risk of a top-heavy Secretariat. Given the importance of training, the related resources should have been presented in a more transparent manner. As for delegation of authority, Uganda wished to associate itself with the view expressed at the previous meeting by Cuba and urged that the recommendations made by the Advisory Committee in paragraph VIII.30 of its report should be clearly understood and strictly applied. Finally, it did not appear that sufficient progress had been made in streamlining the procedures of the Office of Human Resources Management (OHRM).

13. Regarding section 27D, Uganda wondered what the reasons were for the high vacancy rate and whether it was intended as a cost-cutting measure. As far as security and safety were concerned, his delegation fully supported the preparation of a comprehensive expert survey, as recommended by the Advisory Committee in paragraph VIII.39. It would like to have further information on the anti-explosive detection services.

14. The merger of IMIS and information technology services in a single organizational unit seemed rational, and his delegation wished to know what was preventing it. It was surprising, in that connection, that the estimated number of IMIS users was so low. The optical disk system was very widely used by missions, but they sometimes experienced difficulties in

connecting to it; once again, an explanation would be welcome.

15. Concerning common services, his delegation would like to have a detailed report on printing facilities at New York and Geneva. As for procurement, travel and transportation, it welcomed the fact that the Advisory Committee had requested the Board of Auditors to conduct an assessment of the effectiveness of procurement reform measures. Since the Organization used only one travel agency, it wished to hear a detailed explanation for that situation. It wondered whether that agency was fully aware of the potential difficulties of travelling in some parts of the world and it wanted to know what income the Organization received for the use of the offices occupied in the Secretariat by that agency.

16. With regard to facilities management, his delegation was concerned, like many other delegations, at the state of the Secretariat building, particularly the possible presence of asbestos and wished to have updated information on the matter.

17. **Ms. Aragon** (Philippines), speaking on section 27C, paid tribute to the memory of the men and women who had given their lives in the service of the Organization, and again called on Member States to sign and ratify, as the Philippines had done, the Convention on the Safety of United Nations and Associated Personnel.

18. Her delegation welcomed the importance accorded by the Secretary-General to training and staff development, and supported the resource growth proposed for the related programmes.

19. In line with its belief that the paramount consideration in the recruitment and promotion of staff should be the necessity of securing the highest standards of efficiency, competence, and integrity, her delegation considered that the recruitment, appointment and promotion of staff should be made without distinction as to nationality, race, sex or religion, in accordance with the principles and purposes set forth in the Charter of the United Nations and the Staff Regulations and Rules.

20. Her delegation had taken note of the reformulated narrative of section 27C (A/C.5/54/17), but wished to recall its serious reservations concerning resolution 53/221, section V, paragraph 22, which provided for the realignment with the national competitive examinations of the competitive examination for promotion from the General Service category to the Professional category. That provision would effectively deny General Service staff (the majority of whom were women), because of their nationality, the opportunity to be promoted to the Professional category through the competitive examination. Her delegation fully appreciated the efforts of those staff members to pursue university studies, at their own expense, in order to obtain a degree enabling them to qualify for the competitive examination. It considered that the examination should be regarded as a promotion exercise, not as a recruitment exercise, and that staff members of all nationalities should have equal opportunities to be promoted. It welcomed, in that regard, the Secretary-General's note on the issue (A/C.5/54/2) and had taken note of the related report of the Advisory Committee (A/54/450). Her delegation trusted that, in drawing up the programme of work, the Bureau would give due regard to its interest in that issue.

21. Finally, her delegation again urged the Secretary-General to redouble his efforts to increase the representation of women from developing countries in policy-making posts.

22. **Mr. Fedorov** (Russian Federation) noted firstly that the Secretariat was not taking into account what had been decided in section I, paragraph 4, of General Assembly resolution 53/221 and was issuing documents relating to human resources management without referring to that agenda item (as in the case of document A/C.5/54/17).

23. With regard to the note by the Secretary-General on personnel practices and policies (A/C.5/54/21), his delegation shared the concern expressed by the Group of 77, and saw a direct link between that note and the note concerning the competitive examination for promotion to the Professional category of staff members from other categories (A/C.5/54/2). It was displeased that the Secretariat was attempting to turn a specific issue (to which it would revert subsequently) into a general problem, because that complicated the Secretariat's relationship with the General Assembly, the Advisory Committee and the Fifth Committee. The Secretariat's interpretation of paragraph 103 of the report of the Advisory Committee differed from that of the Russian Federation, which considered that, if the Secretariat was called on to submit a general analysis of personnel policies implemented pursuant to

decisions of the General Assembly, that analysis should under no circumstances seek to modify decision-making procedures in the Fifth Committee.

24. It was also important for the Secretariat to provide, without any commission, comprehensive, detailed information on personnel issues before and during the consideration of human resources management; indeed, members of the Secretariat at all levels had the opportunity to do so at formal meetings of the Fifth Committee as well as in informal consultations on the coordination of future resolutions. Such a democratic procedure for preparing decisions on personnel issues, with direct and active participation by Secretariat representatives would allow the latter to keep delegations fully informed, which was very useful. However, his delegation opposed categorically attempts by the Secretariat to change or submit comments on provisions on which consensus had been reached prior to the adoption of decisions or draft resolutions.

25. **Mr. Moktefi** (Algeria) said that he wished to associate himself with the statement made by the representative of Guyana on behalf of the Group of 77 and China. With regard to section 27A (Office of the Under-Secretary-General for Management), he shared the concern already expressed by a number of delegations at the increase in the number of cases pending before the internal justice system. Regarding section 27B (Office of Programme Planning, Budget and Accounts), he agreed with the Advisory Committee (A/54/7, para. VIII.12) that the funding of posts in the Peacekeeping Financing Division should be reviewed, since those posts in fact corresponded to functions of a permanent nature. As to section 27C (Office of Human Resources Management), he, too, considered that the Organization's recruitment procedures should be rendered less cumbersome, that consultants and experts should not be used to carry out functions that should be assigned to the Organization's permanent staff, and that the Office of Human Resources Management (OHRM) should be encouraged to step up its efforts to improve geographical representation.

26. Referring to the report of the Advisory Committee, he condemned the continued lack of transparency in the presentation of the resources required for staff training (A/54/7, para. VIII.25) and he called for an improvement in the presentation of the estimates for training for the next biennium. Regarding paragraph VIII.30, which he supported, he stated that no delegation of authority should take place without the prior approval of the General Assembly. He also endorsed paragraph VIII.43, which sought to differentiate in the budget between the resources required for maintenance, operational support and infrastructure upgrading and those required for investment in new technologies. Concerning paragraph VIII.47, he asked the Secretariat what the reasons were for the low number of IMIS users. He shared the view of the Advisory Committee (para. VIII.57) that priority should be given to services that were good candidates for common delivery using the criteria of efficiency, productivity and cost-effectiveness, and he supported the recommendation made in paragraph VIII.58. He wished to associate himself with the comments of the representative of Uganda concerning the travel agency and drew attention, in that connection, to the costliness of the tickets sold by the agency. Finally, he asked why nothing was being done to protect computer equipment at Headquarters.

27. With regard to paragraph VIII.99, he observed that asbestos was also a problem in the Headquarters compound in New York, and that the problem must be resolved before the Millennium Assembly. He asked what progress had been made in removing asbestos at Headquarters and what work was planned. He also wished to know why offices had not been vacated during the work carried out on the 39th floor of the Secretariat building, and how many asbestos-related illnesses had been reported to the Medical Service. He would like responses in writing.

28. Finally, his delegation demanded that the United Nations Office at Nairobi should have the same status as the other United Nations offices and that it should be provided with the necessary resources, including an interpretation service.

29. **Mr. Fox** (Australia) said that he attached great importance to the activities of the International Civil Service Commission relating to the common system. His delegation was concerned at the high vacancy rate and considered that the solution lay not so much in greater automation of OHRM (section 27C) as in the development of a genuine strategic vision. There was a lack, in the budget documents, of a strategic vision of the reforms, which should be aimed at providing the United Nations with a more efficient and flexible staff. It regretted the lack of clarity in the parts of the budget proposal dealing with training, which should form one element of the strategy to be put in place. It also noted

that there was no strategy for the use of new information technologies in human resources management. The granting of additional resources must be made conditional on progress in those areas.

30. Turning to section 27D (Office of Central Support Services), he reiterated his country's concern at the lack of a long-term, comprehensive and coordinated approach to investment in information technology in the United Nations. The lack of a link between the application of new technologies and reform was particularly disturbing at a time when it was necessary to identify the productivity gains that information technology was supposed to produce.

31. **Mr. Yussuf** (United Republic of Tanzania) asked why the terms "communications costs" and "communications needs" had been used in paragraph 27C.15 of the English version of the proposed programme budget. He also enquired as to the nature of the specialized supplies for which a provision of $10,400 was requested in paragraph 27C.17.

32. **Mr. Daka** (Zambia) said that he wished to associate himself with the statement made by the representative of Guyana on behalf of the Group of 77 and China and supported the comments of the representatives of Uganda and Algeria. Like them, he wondered why the Organization continued to use only one travel agency and emphasized that OHRM must greatly improve recuritment procedures, which were no doubt the cause of the Organization's high vacancy rate.

33. **Mr. Sach** (Director, Programme Planning and Budget Division), replying to the questions put by the members of the Committee, indicated, with respect to the secretariat services provided to the Fifth Committee and CPC by the Office of the Under-Secretary-General for Management (section 27A), that the level of the resources allocated, which had barely changed since the previous biennium, did not in any way reflect the value of those services; everyone was fully aware of their importance.

34. Turning to section 27B, he confirmed that IMIS did not include a budgeting module. In order to prepare the budget the Secretariat used old software, due to be replaced, which was compatible with IMIS. First, however, Releases 3 and 4 of IMIS must be put in place everywhere.

35. He said that the reformulated narrative of section 27C (A/C.5/54/17) dealt only with the introduction to the section, since the Secretariat had decided that the rest of the text, including the passages concerning training, were essentially in compliance with resolution 53/221.

36. The Secretariat was pleased that Member States supported the enhancement of training activities and had taken note of their criticism of the lack of transparency in the passages concerning training in section 27C. It would endeavour to achieve greater clarity in future budget submissions. The communications costs referred to in paragraph 27C.15 related to routine expenditure for mail and telephone calls. Clarification regarding the special costs mentioned in paragraph 27C.17 would be provided in informal consultations.

37. With regard to the travel agency located at Headquarters (section 27D (Office of Central Support Services)), he said that the level of the rent paid by the agency was one of the elements in the contract concluded with it, which had enabled the Organization to obtain a rent of $731,200, or $208 per square foot, compared with rents of about $30 per square foot for offices in the surrounding area. When the Secretariat issued invitations to tender, which it had done on several occasions over the years, it made a genuine effort to find a travel agency offering tickets at competitive prices. The pricing structure for airline tickets, however, was complex, and the price indicated on the ticket did not necessarily reflect the price paid by the United Nations, which depended on offsets paid subsequently by the agency based on the volume of business.

38. The high vacancy rate in section 27D was not artificial. Recruitment had been conducted with the greatest possible transparency, as was the case for all the other sections. The budget performance report would explain the reasons for the high rate.

39. The Information Technology Services Division and the IMIS Service were two distinct entities within the Office of Central Support Services. IMIS was not yet installed everywhere, but the Secretariat anticipated that the five releases would be in place in all duty stations by the end of 2000. That would be the time to consider how to integrate the IMIS Service into the Information Technology Services Division. It would be necessary, in so doing, to take account of the fact that

IMIS also served the United Nations Development Programme (UNDP), the International Labour Organiztion (ILO) and the United Nations Children's Fund (UNICEF) and to establish a procedure whereby the costs of the services provided could be charged to the users. The figure of 2,000 users would increase when the system was installed in all duty stations.

40. He said that he would reply in informal consultations to the questions on security, access to the optional disk system and asbestos. On the latter point, he said that he would enquire as to the circumstances of the incident mentioned at an earlier meeting.

41. The abolition of posts in the United Nations Office at Geneva (UNOG) would not lead to a reduction in the capacity of the Office. As to the restructuring and strengthening of the United Nations Office at Nairobi (UNON), he recalled that the reform of UNON comprised a number of phases spanning several bienniums.

42. **Mr. Odaga-Jalomayo** (Uganda) and **Mr. Moktefi** (Algeria) said that they would request more detailed information on the issue of the travel agency in informal consultations.

43. **Mr. Moktefi** (Algeria) said, with regard to the incident involving asbestos, that the Group of 77 had sent a letter to the Secretariat, but had not received a reply.

44. **The Chairman** said that she took it that the Committee had completed its first reading of section 27 of the proposed programme budget for the biennium 2000-2001 and wished to refer that section to informal consultations.

45. *It was so decided.*

Part IX: Internal oversight

Part X: Jointly financed administrative activities and special expenses

46. **Mr. Mselle** (Chairman, Advisory Committee on Administrative and Budgetary Questions) noted that estimates of expenditure under section 28 (Internal oversight) amounted to $18.9 million, that projected extrabudgetary resources amounted to $10.9 million and that five additional posts were requested under the regular budget.

47. Referring to paragraph IX.4 of the Advisory Committee's report, he said that there was a memorandum of understanding covering audit services provided by the Office of Internal Oversight Services for the Office of the United Nations High Commissioner for Refugees (UNHCR) and the United Nations International Drug Control Programme. However, there were no such memoranda concerning investigation of funds and programmes. That situation had been perpetuated by the fact that no action had been taken on the report of the Secretary-General on enhancing the internal oversight mechanisms in operational funds and programmes (A/51/801). Until the report was acted on, no clear-cut arrangements could be instituted for reimbursement by the funds and programmes of investigative services provided by the Office. The Advisory Committee recommended acceptance of the five posts requested but not the proposal to reclassify a P-5 post of Special Assistant to the Under-Secretary-General to the D-1 level (para. IX.5). In conclusion, he drew the attention of the Committee to the comments in paragraphs IX.7 to IX.10 of the report.

48. Introducing section 29 (Jointly financed administrative activities), which contained estimates to cover the expenses of various jointly financed bodies, including the International Civil Service Commission and the Joint Inspection Unit, he referred to paragraphs X.2 to X.6 of the Advisory Committee's report. The Advisory Committee believed that there was a need for greater transparency in the manner in which those estimates were arrived at and the share to be borne by the Organization. There was also a need to ensure that estimates for the secretariats of a number of inter-agency bodies had appropriate legislative oversight. The Advisory Committee would take up those subjects when it met with the representatives of the specialized agencies on the subject of administrative and budgetary coordination between the United Nations and the specialized agencies.

49. Paragraphs X.5 and X.6 of the report indicated the need for the Secretariat to take decisions only after proper consultation with the bodies concerned and after having received clear legislative guidance from the relevant intergovernmental bodies.

50. Paragraphs X.13 to X.16 of the report concerned the United Nations share of the cost of the Information Systems Coordination Committee (ISCC). The Advisory Committee trusted that the recommendation

it had made in paragraph X.16 would lead to an urgent review of the effectiveness of ISCC.

51. With respect to section 30 (Special expenses) the Advisory Committee, in paragraph X.21, reiterated its recommendation that the Secretary-General should address, on a system-wide basis, the long-term implications of the growth of the cost of after-service health insurance. In paragraph X.23, the Advisory Committee also requested the Secretary-General to provide information, in the context of the proposed programme budget for the biennium 2002-2003, on the impact of implementation of the recommendations of OIOS contained in document A/53/467.

52. Paragraphs X.25 to X.27 of the report concerned staff security and the role of the United Nations Security Coordinator. The Advisory Committee strongly urged the organizations of the United Nations system carefully to coordinate their security and safety activities at the field level in order to avoid the potential for conflict in policy, activities and guidelines that might endanger the security and safety of United Nations personnel and family members. The Advisory Committee requested that comprehensive information on all safety and security programmes currently undertaken by the United Nations system should be included in the next proposed programme budget.

Section 28. Internal oversight

53. **The Chairman** invited the Committee to consider section 28 of the proposed programme budget for the biennium 2000-2001. In that connection, she drew the Committee's attention to the recommendations of the Committee for Programme and Coordination contained in paragraph 453 of its report (A/54/16).

54. **Mr. Barnwell** (Guyana), speaking on behalf of the Group of 77 and China, said that the Group attached great importance to the programme and supported all the activities of the Office of Internal Oversight Services (OIOS) that were in conformity with the current regulations and rules of the Organization and the decisions of the General Assembly, that being a prerequisite for ensuring that its work was effective and that it enjoyed the confidence of Member States. However, the description of the Office's functions, in the foreword and introduction to the proposed programme budget and in the narrative of section 28, was not always in conformity with its mandate as defined in General Assembly resolution 48/218 B. That was true, notably, of paragraph 187 of the introduction, which stated that the Office evaluated the relevance, efficiency and effectiveness of the Organization's activities, and the proposals set out in paragraphs 28.3, 28.20, 28.21, 28.24 and 28.41 of section 28. It was difficult to see, for example, on what basis the Office should monitor the implementation of the Secretary-General's reform programme. The Group pointed out that only those reforms that had been approved by the General Assembly should be implemented.

55. The Group of 77 and China endorsed the recommendations made by CPC in paragraph 453 of its report (A/54/16). However, they requested the Chairman of CPC to provide clarification with respect to paragraph 28.20 (b) as reformulated by that Committee. They wondered whether, should the General Assembly adopt the proposal, OIOS would be able to alter the content of main programmes. They also wondered what CPC meant by "main programmes".

56. The Group noted that the resources requested for the Office had increased from $13.8 million in 1996-1997 to $20.1 million in 2000-2001. It did not appear that that resource growth was justified, since internal oversight was not a priority under the medium-term plan and the General Assembly had not conferred any new mandates on the Office since 1994, when it had been established.

57. The Group also wished to know what the Secretariat meant by "insufficient delegation of authority" (A/54/7, para. IX.9). The Group considered that delegation of authority must proceed in accordance with resolution 53/221.

58. **Mr. Sareva** (Finland), speaking on behalf of the European Union, the associated countries Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia and Slovenia, and, in addition, Iceland and Norway, said that the European Union had strongly supported the activities of OIOS since its establishment. The drawing together of the main oversight functions, namely audit, management consulting, inspection, monitoring, evaluation and investigations, into a single structure had responded to the need to enhance internal oversight within the Organization and to respect the fundamental principle of operational independence.

59. The European Union considered that the Office's task was not to serve as a vehicle for budget cuts but to optimize the use of the Organization's resources and programme delivery. Experience had shown that the Office had enabled the Organization not only to make savings and recoveries (double the amount spent on the investigations), but also, more importantly, to change its management culture. It had been critical in turning the Organization into a more responsive, efficient, accountable and transparent structure. As the representative of Norway had stated in the general debate on the proposed programme budget, although internal oversight was not a programme and could not therefore be assigned priority, it was a powerful tool for management improvement that strengthened the hand of the Secretary-General in delivering priority programmes.

60. Under the leadership of the Under-Secretary-General, the Office had fully met the expectations of Member States as set forth in General Assembly resolution 48/218 B. The European Union was confident that it would continue to do so, and believed that it must be given the resources necessary to discharge its mandate.

61. The European Union therefore endorsed the Secretary-General's proposals for the establishment of new posts, which had been approved by ACABQ. It took note of the Advisory Committee's comments (A/54/7, para. IX.5) concerning the proposed reclassifications and looked forward to further clarification of the matter in informal consultations. In its view, the resources requested for the Investigations Section were insufficient.

62. **Mr. Moktefi** (Algeria), aligning himself with the statement made by Guyana on behalf of the Group of 77 and China, said that, while his delegation recognized the importance of internal oversight and supported the activities undertaken in that connection, it wished to point out that they were not a priority under the medium-term plan. He questioned the need to increase appropriations under the section by 5.3 per cent, when no resource growth had been proposed for certain priority activities. Similarly, extrabudgetary resources had increased in section 28, while declining elsewhere.

63. His delegation believed that the Office should not become a cumbersome and bureaucratic administrative structure consuming ever more resources, when its function was actually to generate savings for the Organization. Some of the Office's activities were in fact financed under other sections of the programme budget. Thus, travel costs relating to auditing of certain peacekeeping operations were borne by the operations concerned.

64. His delegation agreed with the Advisory Committee's view, reflected in paragraph IX.5 of its report, that the reclassification of a P-5 post of Special Assistant to the Under-Secretary-General to the D-1 level was not justified. It supported the recommendation made by the Advisory Committee in paragraph IX.7 of its report that procedures should be in place for the coordination of the Office's various units with a view to promoting greater efficiency. Drawing attention to the request that the Office should monitor the implementation of the reform programme, he emphasized that the Office could monitor only those reforms that had been formally approved by the General Assembly.

65. **Mr. Odaga-Jalomayo** (Uganda) said that his delegation wished to associate itself with the statement made by Guyana on behalf of the Group of 77 and China. It was important, in its opinion, that the Office should carry out its activities within its mandate and in accordance with the decisions of the General Assembly.

66. His delegation considered it essential that the Office should use qualified and experienced staff in all its services so as to be able to discharge its mandate effectively, although that did not always appear to be the case. Since the Office had its own appointment and promotion body (A/54/6/Rev.1, para. 28.10), it wished to know to what extent that body had assisted the Office in filling vacancies.

67. It supported the establishment of new posts, but endorsed the views expressed by the Advisory Committee in paragraph IX.5 of its report concerning the reclassifications. It also agreed with the opinion expressed in paragraph IX.7 that the structure of the Office must not be too cumbersome and elaborate. Uganda considered that the Board of Auditors, one of the Organization's most effective oversight bodies, was a good example in that regard. What mattered was that the Office should have a core of highly qualified and experienced staff who carried out their tasks effectively.

68. **Mr. Repasch** (United States of America) said that his delegation welcomed the budget estimates for and programme of work of OIOS for the biennium 2000-2001 and supported the recommendations of CPC on section 28. Since its establishment five years earlier, the Office had become an effective tool at the service of the Secretary-General and his programme managers. By drawing on the results of independent and objective evaluations, programme managers were able to discharge their mandates more effectively, making optimum use of the resources available to them.

69. Under the leadership of the Under-Secretary-General, the Office had also sought to bring to light cases of fraud, waste and misappropriation of funds, enabling the Organization to identify recoveries and savings of some $37 million in the past year alone, of which $23 million had actually been realized. Most importantly, the Office was a powerful deterrent.

70. His delegation took note of the comments of ACABQ in paragraph IX.5 of its report and requested the Advisory Committee to specify in writing the criteria on which those comments were based. It also took note of the additional information provided by the Chairman of the Advisory Committee concerning the procedures for cost reimbursement for services provided to the funds and programmes. While it understood the need for those arrangements, it wished to underline that they did not affect the authority of the Office with respect to the funds and programmes, which was clearly defined in resolution 48/218 B, as well as in a legal opinion provided by the Office of Legal Affairs of the United Nations.

71. **Ms. Silot Bravo** (Cuba) said that her delegation wished to associate itself with the statement made by Guyana on behalf of the Group of 77 and China. Reaffirming her delegation's commitment to the strengthening of internal oversight, she said that she considered it essential nevertheless that the intergovernmental bodies should have their say regarding the measures to be taken.

72. Her delegation wished to draw attention to the fact that the narrative of section 28 contained several references to reform measures, as though the Office had a specific mandate with respect to follow-up to such measures. She pointed that the Office's programme of work must be in conformity with the priorities established by Member States and that, since the reform programme had not been approved in its entirety, it would have been better to have avoided any reference to it.

73. Her delegation was concerned, as were other delegations, at the resource growth proposed for internal oversight activities. Those activities were not among the priorities under the medium-term plan, which, in contrast, had not always been respected. It wished to underline that the medium-term plan remained the principal policy directive governing the preparation of the budget and the distribution of resources among budget sections. The increase in the number of posts proposed under section 28 was another cause for concern. In that respect too, internal oversight activities seemed to enjoy preferential treatment in comparison with other programmes in the medium-term plan, which, however, were priorities. She considered that it would be advisable to take a cautious approach to the establishment of posts and to review the Office's real needs. Her delegation endorsed the comments made by the Advisory Committee in paragraph IX.5 of its report.

74. It would be helpful, as several delegations had emphasized within CPC, to bring the narratives into line with the text of the medium-term plan. That was true particularly of the presentation of the activities of the Central Evaluation Unit and the Audit and Management Consulting Division. Likewise, the expected accomplishments must correspond to the objectives of the programme and to those set out in the medium-term plan.

75. In conclusion, she said that her delegation, which believed that OIOS must be a role model in terms of efficiency and economy, was astonished that the resources requested under section 28 continued to increase.

76. **Mr. Orr** (Canada) drew the Committee's attention to the fact that administrative support services and conference services, for example, were not among the designated priorities, despite the fact that they accounted for approximately half of the budget. Given the new mandates that had been conferred on the Organization since 1994 and, in particular, on OIOS, it was normal that expenditure relating to oversight activities should increase gradually in each biennium, with experience. The priorities established in the medium-term plan should not form the sole criterion in that regard. His delegation believed that it was important that the Office should have the necessary

resources and it considered that the increase requested was entirely justified.

77. He recalled that the auditors' fees were not charged to the Organization. He could not therefore understand how the budget of the Board of Auditors could be compared with that of OIOS.

78. **Mr. Takahara** (Japan) said that his delegation, which attached great importance to both the internal and external oversight functions, supported the proposals contained in section 28. However, it wished to make certain comments with a view to improving budget planning and the organization of the Secretariat's work.

79. His delegation would like to know what progress had been made with respect to self-monitoring and self-evaluation, which were mentioned in paragraph 28.3, and, in particular, to what extent the results of those activities were taken into account in the preparation of the budget proposal.

80. His delegation supported the request made by the Advisory Committee in paragraph IX.4 of its report that additional information should be included in the next proposed programme budget on cost reimbursement for services to funds and programmes where there was currently no memorandum of understanding. It wished to know whether there was an urgent need to include the post of Planning and Compliance Officer in the budget, given the essential functions relating to that post (A/54/6/Rev.1, para. 28.12), and why it was proposed that the post should be established at the P-5, rather than a lower, level (A/54/7, para. IX.5).

81. Concerning the resources requested under travel (A/54/6/Rev.1, para. 28.15), his delegation considered that the request for a substantial increase in the appropriation must be justified by greatly increased activity. Finally, his delegation trusted that the "pervasive management control weaknesses across the Organization", referred to in paragraph 28.40 of the budget proposal and paragraph IX.9 of the Advisory Committee's report, would be identified and that measures would be taken to address them.

82. **Mr. Yussuf** (United Republic of Tanzania) said that he wished to associate himself with the statement made by Guyana on behalf of the Group of 77 and China. Referring to the financial implications of the recommendations of OIOS, he said that his delegation would like the Director of the Programme Planning and Budget Division to indicate, in informal consultations, the level of expenditure that each body audited had had to incur in order to implement the Office's recommendations.

83. **Mr. Sial** (Pakistan), aligning himself with the statement made by Guyana on behalf of the Group of 77 and China, said that his delegation attached great importance to section 28 and fully supported those internal oversight activities that were undertaken in conformity with the Organization's regulations and rules and the decisions of the General Assembly. It hoped, however, that the problems observed by Member States since the Office's establishment would be resolved by the end of the next biennium.

84. Since the existence of the Office should result in more prudent use of resources, his delegation was concerned to note that not only were the resources requested by OIOS increasing, but other services were requesting additional resources in order to give effect to the Office's recommendations. That was the justification given, for example, for the reclassification of a Field Service post to P-4 (A/54/7, para. V.38). His delegation wished to draw attention to several typographical errors and inconsistencies between the Advisory Committee's report and the proposed programme budget and requested the Secretariat to correct them. It wished to point out, in that connection, that the budget should not be issued as a supplement prior to its adoption by the General Assembly.

85. His delegation joined the United States delegation in requesting that the Advisory Committee should indicate the general criteria on which its recommendations concerning posts were based. It also hoped that the Secretariat would inform it why the savings identified and referred to in the annual report of OIOS (A/54/393) were not reflected in the budget performance report. Finally, it agreed with Canada that the Office must be provided with adequate resources, although what constituted an appropriate level was a matter of opinion.

86. **Mr. Fox** (Australia) said that his delegation considered internal oversight to be a core function; it therefore supported the request for additional resources for internal oversight made by the Secretary-General in his statement to the Committee on 27 October. The benefits that would accrue to the Organization from

such an investment would, in his opinion, far surpass the expenditures incurred.

87. **Mr. Tommo Monthe** (Chairman of the Committee for Programme and Coordination), responding to the comments of the representative of Guyana concerning the modifications to paragraph 28.20 (b) of the proposed programme budget recommended by CPC (A/54/16, para. 453 (b)), explained that CPC had simply taken the wording of paragraphs (a) and (b) of regulation 7.1 of the Regulations and Rules Governing Programme Planning, the programme aspects of the budget, the Monitoring of Implementation and the Methods of Evaluation (PPBME Rules), because that was the authoritative text on evaluation, which was the theme of subprogramme 1 and the subject of paragraph 28.20. The term "main programmes" referred to the major areas of activity of the United Nations, which were described in the programme budget.

88. Paragraphs (a) and (b) of regulation 7.1 of the PPBME Rules were to be interpreted in the light of regulation 7.4, under which Member States were entitled to make any modification to programmes that they wished. Thus, there was no reason to fear that changes would be initiated by the Secretariat. All modifications made were done so in conformity with the established regulations. Furthermore, modifications proposed by the Secretary-General were submitted to CPC, the Advisory Committee or the Committee on Conferences, as appropriate. Member States were right to be concerned at the issue since, in accordance with paragraph 4 of section II of General Assembly resolution 37/234, once the proposed programme budget had been adopted, the programme narratives contained therein constituted commitments against which programme performance was to be assessed.

89. **Mr. Sach** (Director, Programme Planning and Budget Division), noting the concerns expressed by delegations with regard to the narrative of the proposed programme budget and the recommendations of CPC, said that care had been taken, in drafting the proposed programme budget, to remain very close to the wording of the medium-term plan, which was in conformity with the provisions of General Assembly resolution 48/218.

90. Concerning cost reimbursement for services provided by OIOS (A/57/7, para. IX.4), he said that all sums received in that regard were reflected in the proposed programme budget, but the funds and programmes sometimes made payments in kind, which were difficult to show in the budget proposal. He hoped, however, that it would be possible to provide additional information on the matter in the next proposed programme budget.

91. With regard to the reclassification of the post that had been occupied until now by a gratis personnel (para. IX.5), he gave an assurance that the degree of responsibility of the post justified the level requested. As to the criteria for reclassifying posts, he said that all posts were classified on the basis of the Master Standard of the International Civil Service Commission. The Master Standard did not, however, constitute the sole criterion. Sometimes, in order to make better use of available resources, the Secretary-General, the Advisory Committee and, on occasion, the Fifth Committee decided not to adhere strictly to it.

92. Referring to the recommendations of OIOS, he said that the Office provided estimates, in its annual report, of the savings that would result from the application of its recommendations. In many cases, those estimates concerned not the savings that could be realized against the estimates of expenditure contained in the budget when the Office made its recommendations but expenditures that might be avoided in the future, because the role of OIOS was to counter the risk of budgetary inflation. It was not possible to identify, after the fact, all the elements that came into play. Furthermore, it often took time to realize the savings sought. Currently, the Office made its estimates independently of the budget process.

93. Concerning the reclassification to P-4 of a Field Service post in the Economic and Social Commission for Asia and the Pacific (para. V.38), he explained that, as shown in table 17.24 of the proposed programme budget, one Field Service post was to be lost in 2000-2001, while the number of P-3/4 posts would be reduced from 38 to 37. Since one P-4 post was to be reclassified and a P-3 post redeployed, as stated in paragraph 17.115, the number of staff would fall from 38 to 37, despite the reclassification of the Field Service post.

94. Regarding self-evaluation, which programme managers were expected to undertake regularly in accordance with the guidelines provided to them by OIOS (A/54/6/Rev.1, para. 28.3), he explained that, although the outcome of the evaluation might

sometimes lead to immediate action, in other cases, programme managers were obliged, in order to give effect thereto, to make proposals for the next biennium. Those proposals were duly taken into account in the corresponding sections of the proposed programme budget, even though their origin was not specified.

95. *Mr. Sial (Pakistan), Vice-Chairman, took the Chair.*

96. **Mr. Repasch** (United States of America) said that in fact he wished to know what criteria the Advisory Committee used to evaluate the Secretariat's proposals for reclassifications of posts. He expected to receive clarification in writing before the informal consultations.

97. **Mr. Barnwell** (Guyana) said that he trusted that the question he had put concerning delegation of authority (A/54/7, para. IX.9) would be taken up in the informal consultations.

98. **Ms. Silot Bravo** (Cuba) said that some matters required in-depth consideration in informal consultations. The issue of the link between the preparation of the next programme budget and the priorities set out in the medium-term plan merited more detailed consideration, perhaps even as a separate issue. As to the interpretation of the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation, her delegation wished to emphasize that revision of the objectives and modification of the content of programmes were the prerogative of Member States and that the Secretariat played an auxiliary role in that regard. That issue should be examined more closely in informal consultations.

99. **The Chairman** said that he took it that the Committee had completed its first reading of section 28 of the proposed programme budget for the biennium 2000-2001 and wished to refer that section to informal consultations for further consideration.

100. *It was so decided.*

Section 29. Jointly financed administrative activities

101. **The Chairman** invited the Chairman of the Joint Inspection Unit (JIU) to take the floor, in accordance with article 20 of the statute of the Unit.

102. **Mr. Ouedraogo** (Chairman of the Joint Inspection Unit) said that, in accordance with the Unit's zero growth policy for the biennium 2000-2001, the estimates of expenditure, which amounted to $7,863,100 (A/54/6/Rev.1, table 29.6) before recosting, remained unchanged from the appropriations for the biennium 1998-1999. Recalling that the staff resources assigned to JIU had been unchanged since 1968, he expressed the hope that the prospect of an increase could be contemplated in the near future with the full support of the Fifth Committee, as the Unit had already requested.

103. The United Nations share in the cost of the Unit was expected to increase from 19.95 per cent in the biennium 1998-1999 to 33.8 per cent for the biennium 2000-2001, representing an amount of $2,657,800 (table 29.8), should the General Assembly approve the Secretary-General's proposal to reincorporate in the United Nations share the shares of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) and of the Office of the United Nations High Commissioner for Refugees (UNHCR). As noted by the Advisory Committee in paragraph X.5 of its report, the Secretariat had decided without the authorization of the General Assembly or the bodies concerned, that, starting with the biennium 1996-1997, the United Nations would no longer assume responsibility for the shares of those two bodies.

104. He reiterated that the independence of the Unit could be compromised by the fact that its initial budget proposals were submitted to the secretariats of the participating organizations before being presented to the General Assembly. Although that practice was in conformity with article 20.1 of the statute of the Unit, it was also stipulated, in the same article, that the budget estimates should be submitted to the Assembly together with the related reports of the Administrative Committee on Coordination (ACC) and the Advisory Committee. The idea was thus to allow the secretariats to air their views, but to leave the last word to the General Assembly. When it considered the budget estimates of JIU, however, the Fifth Committee never had before it the Unit's initial proposals or the report of ACC.

105. He suggested that a budget line entitled "Non-staff compensation" should be included in the table showing the Unit's requirements by object of expenditure (table 29.6), following the method adopted for the Advisory Committee in table 1.8 of the

proposed programme budget and the International Civil Service Commission (ICSC) in table 29.3. Such a solution would avoid giving the impression that the resources requested under the heading "Posts", which in the current proposed programme budget also included the emoluments of the Inspectors, covered only the cost of the established posts indicated in the table showing post requirements (table 29.7).

106. In its report on the review of the Administrative Committee on Coordination and its machinery (A/54/288), the Unit had recommended that the General Assembly should consider, through the Advisory Committee, and then approve, on behalf of the United Nations system, the overall level of the budgets proposed for all jointly financed administrative activities and not just for ICSC and JIU. As stated in paragraph 100 of the report, the shares of participating organizations in the costs of each of the jointly financed activities were agreed upon among ACC members without the governing bodies of those organizations having an opportunity to question their share and without legislative supervision, although the cost-sharing arrangements became as much of a commitment for Member States as the scale of assessments for the overall budget of individual organizations. The Unit therefore supported the recommendation made by the Advisory Committee in paragraph X.4 of its report that the full cost should be given for each of the jointly financed administrative activities so that the General Assembly could review those costs on behalf of the United Nations system as a whole, in accordance with paragraph 3 of Article 17 of the Charter.

The meeting rose at 1 p.m.